GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Ind & Com - Proposal of APIIC (i) for change in the boundary of the proposed Bulk Drug Park in Nakkapalli area of the Anakapalli District, (ii) to acquire additional 790 acres of lands to compensate for the lands carved out for establishment of integrated steel plant, (iii) to transfer total 2,001.80 acres of lands to AP Bulk Drug Infrastructure Corporation, duly exempting Stamp Duty and Registration Fees and (iv) to exempt lay-out approval charges and land use charges by VK-PCPIR-UDA, (v) to implement the land lease rent and other utility charges by APIIC and APBDIC, as per the proposal submitted by the State to the GoI and (vi) to extend the incentives to the Units established in the proposed Bulk Drug Park, as per the present Policies — Approval Accorded — Orders — Issued.

Industries & Commerce (Infra) Department

G.O.Ms.No.124 Dated: 14-07-2025

Read the following:

1. G.O.MS.No. 45, Industries & Commerce (Infra) Department, Dated: 26- 08-2020
2. G.O.MS.No. 67, Industries & Commerce (Infra) Department, Dated: 14-10-2020
3. From the Under Secretary to GoI, Ministry of Chemicals and Fertilisers, Dept of Pharmaceuticals, GoI, dt.07.11.2022.
4. G.O.MS.No. 80, Industries & Commerce (Infra) Department, Dated: 22-09-2023
5. G.O.MS.No. 02, Industries & Commerce (Infra) Department, Dated: 02- 01-2024
6. G.O.MS.No. 76, Industries & Commerce (P&I) Department, Dated: 26-11-2024.
7. Govt. letter No.1253252/A1/INFRA/2020 dt 06-02-2025.
8. From the VC&MD,APIIC bearing e-file No. APIIC-23021/14/2025-CE I-ENGG WNG-APIIC , (C.No.2819343), dt.16.06.2025.
9. From the GA (Cabinet) Department, U.O.No.259/2025, dt.09.07.2025.

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ORDER:

In the reference 1st read above, Government of Andhra Pradesh (GoAP) accorded approval to undertake and set-up a Bulk Drug Park in a minimum area of 2,000 Acres in A.P. and authorised APIIC Ltd., for preparation and submission of application to Government of India (GoI) on behalf of Government of Andhra Pradesh for setting up of Bulk Drugs Park under scheme for Promotion of Bulk Drug Parks (BDPs) of

Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers (M/o C&F), GoI and also accorded permission to constitute "Andhra Pradesh Bulk Drug Infrastructure Corporation (APBDIC)", a 100% subsidiary under APIIC, to act as State Implementing Agency (SIA). In the reference 2nd read above, Government have extended special package of incentives exclusively for the units set-up in the Bulk Drug Park to create a competitive environment for the Industries coming up in the proposed Bulk Drug Park in the State.

2. In the letter 3rd read above, the Government of India, has accorded the final approval for setting up the Bulk Drug Park at K.P.Puram and Kodhada Village of Thondangi Mandal, East Godavari District with total project outlay of Rs.1,672 crores. In the G.O. 4th read above, Government accorded approval for relocation of the Bulk Drug Park Project from above location in Kakinada District (erstwhile East Godavari District) to Nakkapalli in Anakapalli District and the allocation of a minimum of 2,000 acres of APIIC land in Nakkaplli for the Bulk Drug Park Project in accordance with the proposal submitted by the GoAP to the GoI and also revised the estimated project cost of Rs.2,190 crores at the new location.

3. In the G.O. 5th read above, Government accorded administrative sanction for the work setting up of Bulk Drug Park, Nakkapalli District, Andhra Pradesh for an amount of Rs.1,876.66 crores in view of the final approval given by the GoI vide its letter vide Lr No: 31026/62/2022-Policy dt.07.12.2023, under the central scheme.

4. In the G.O. 6th read above, Government has allotted an extent of 2200 Ac of APIIC land to M/s. ArcelorMittal Nippon Steel India Limited for setting up of new 17.8 MTPA integrated steel plant in 2 phases (7.3 MTPA in first phase & 10.5 MTPA in Phase-II) at Rajayapeta(V), D.L. Puram and Vempadu (V), Buchirajupeta(V), Chandanada(V) of Nakkapalli (M), Anakapalli District. To cater the requirement of contiguous land parcel for this project, there arose a requirement of change in the modification of the Bulk Drug Park boundary, as it is adjacent to the proposed steel project and accordingly, the GoAP has decided to change the boundaries of the Bulk Drug Park at Nakkapalli, duly allocating about 783.74 acres of Bulk Drug Park lands to the proposed integrated steel plant and add / acquire additional lands towards the North boundary in Ch. Lakshmipuram(V) and Pedatheernarla(V). to maintain the 2001.8 Ac of contiguous land for the Bulk Drug Park as per scheme guidelines to GoI.

5. In this regard, vide letter 7th read above, GoAP requested DoP, GoI for modification in the boundaries of the lands, to approve the revised boundaries of the lands and accordingly, requested to take up the proposal in the Scheme Steering Committee of DoP, M/oC&F, GoI, for formal approval and further on 27/05/2025, the GoAP has requested

DoP, GoI to extend the tenure of the scheme from March' 2026 to March' 2027 (ie One Year Extension). In the reference 8th read above, the VC&MD, APIIC has informed that the MoEF&CC has accorded approval for Terms of Reference (ToR) on05/05/2025 for additional extent of 783.74 Acs (i.e. for modified boundary as proposed in Pedateernarla & Ch Lakshmi Puram (V)). To expedite the Land Acquisition process, the GoAP has exempted Form A(1) for Patta Land extent of 707.86 Acs under Sec-10(A) of LA R&R Act - 2013. The Project Cost of the Bulk Drug Park remains at Rs. 1,876.66 crores only notwithstanding revisions to the boundaries and the Means of Finance for the Project is as follows:

Sl. No	Component	As per the Original Approval Dt 07/12/2023 (INR Cr)	Proposed Means of Finance after Boundary Change (INR Cr)
1	**Grant** from GoI	996.45	996.45
2	**Equity** infusion by GoAP/APBDIC	200	200
3	**Debt** by APBDIC	680.21	680.21
	Total	**1,876.66**	**1,876.66**

6. In the reference 8th read above, the VC&MD, APIIC has submitted the proposal for (i) change in the boundary of the proposed Bulk Drug Park at Nakkapalli, (ii) transfer of land from APIIC to APBDIC duly exempting Stamp Duty and Registration Fee thereon and (iii) approval of "LEASE" Model of Land allotment to the Units in the proposed Bulk Drug Parks with the provision of BUYOUT, after the completion of 10 years (as per the approval accorded by DoP, GoI) for approval (same is enclosed at Annexure).

7. Government after careful examination of the matter, hereby accord approval of the proposal of APIIC (i) for change in the boundary of the proposed Bulk Drug Park in Nakkapalli area of the Anakapalli District, (ii) to acquire additional 790 acres of lands to compensate for the lands carved out and handed over to AMNSI for establishment of integrated steel plant, (iii) to transfer total 2,001.80 acres of lands to AP Bulk Drug Infrastructure Corporation, duly exempting Stamp Duty and Registration Fees and (iv) to exempt lay-out approval charges and land use charges by VK-PCPIR-UDA, (v) to implement the land lease rent and other utility charges by APIIC and APBDIC, as per the proposal submitted by the State to the GoI and (vi) to extend the incentives to the Units established in the proposed Bulk Drug Park, as per the present Policies, so as to comply Scheme Guidelines of the Promotion of the Bulk Drug Park of the GoI and as per the proposal submitted by the State to GoI, as given below:

a. Change in boundary of the proposed Bulk Drug Park in Nakkapalli area of the Anakapalli District as given at Annexure {Para-(i)}

b. Authorizing the APIIC to acquire additionally about 790 acres of lands, so as to compensate for the lands carved out and handed over to AMNSI for establishment of integrated steel plant.

c. Transferring a total extent of 2,001.80 acres of lands from the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) to the Special Purpose Vehicle (SPV), ie, M/s AP Bulk Drug Infrastructure Corporation Limited (APBDIC), duly exempting the payment of Stamp Duty and Registration Fees, under Section 9(1)(a) of the Indian Stamp Act, 1899 and Section 78 of the Registration Act, 1908 and authorize APBDIC to allot the lands to the units to be established in the Bulk Drug Park, duly complying Scheme Guidelines of DoP, GoI, as given at Annexure {Para-(ii)

d. Exemption of Layout approval charges and Land Use Charges for Bulk Drug Park by VK PCPIR -UDA.

e. Implementing the land lease rent and other utility charges by APIIC and APBDIC, as per the proposal submitted by the State to the GoI, so as to comply the clause 11.2 of the Scheme Guidelines of the DoP, GoI for a period of 10 years, as given at Annexure {Para-iv (A)} and also to authorize the APIIC & APBDIC to implement Buy-out Model after 10 years as given at Annexure {Para-iii}

f. Extend the incentives to the Units established in the proposed Bulk Drug Park, as per the present Industrial Policy 2024-29, MSME Policy, 2024-29 and other sectoral policies as applicable, as given in the Annexure {Para-iv (B / a to c)}.

8. Necessary proposals, to implement the proposal at Annexure {Para-(iv) (A)} w.r.t utility charges such as Power, Effluent treatment plant, raw water, steam and solid waste treatment, have to be submitted by the VC&MD, APIIC to the Government for further action. Similarly, necessary proposals to implement the proposals at Annexure {Para-iv (B)} w.r.t extension of special incentives to the units established in the Bulk Drug Park, have to be submitted by the Director of Industries, GoAP to the Government for further action.

9. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd, the Managing Director, A.P. Bulk Drug

Infrastructure Corporation and the Director of Industries, GoAP shall take further necessary action accordingly, in the matter.

10. This orders issues with the concurrence of the Finance(FMU .I&I, Energy, I&C)Department vide U.O.No.FIN01-FMU0PC(IIE)/4/2020 (Computer No. 1210218), dt.08.07.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT

To
The Vice Chairman & Managing Director, APIIC Ltd.,
APIIC Towers, Plot No-1, IT Park, Mangalagiri,
Guntur (Dist), AP-522503.
The MD, A.P. Bulk Drug Infrastructure Corporation Ltd.,
APIIC Towers, Mangalagiri.
Copy to:
The Finance(FMU .I&I, Energy, I&C)Department.
The GA (Cabinet) Department, A.P. Secretariat.
The OSD to Secretary to Chief Minister
The OSD to Minister (I&C, FP)
The PS to Secretary to Govt(I&C).
Sf/Sc (1253252)

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE

(to G.O.Ms.No.124, Industries & Commerce (Infra) Department, dated: 14.07.2025)

Annexure on the various components of the Proposal of APIIC regarding the establishment of Bulk Drug Park at Nakkapalli area of the Anakapalli District:

i) Change in Boundary of Bulk Drug Park at Nakkapalli:
Change the boundary of Bulk Drug Park at Nakkapalli from Rajayapeta(V), D.L. Puram and Vempadu (V), Buchirajupeta (V), Chandanada (V) of Nakkapalli (M), Anakapalli to Rajayapeta(V), D.L. Puram, Vempadu (V), Buchirajupeta (V), Chandanada (V) Pedateernarla & Ch LakshmiPuram (V), Uppamaka(V), N.Narsapuram of Nakkapalli (M) and Gudiwada (V) of S.Rayavaram (M), Anakapalli, for maintaining 2,001.88 acres as per the approval of DoP, GoI.

ii) Transfer of land from APIIC to APBDIC and Exemption of Stamp Duty and Registration Fee thereon:
Under Clause 7 of Scheme Guidelines of Bulk Drug Park, wherein SIA is empowered to implement the Bulk Drug Park scheme ie, AP Bulk Drug Infrastructure Corporation (APBDIC) and as per *Clause 7.4, the SIA shall allot land on long term lease.* Hence to fulfil the above obligations, the land title shall be transferred to SIA from APIIC. Therefore, the transfer charges, which are proposed to attract under Sec 9(1)(a) of Indian Stamp Act -1899 and under Sec 78 of Registration Act -1908 are to be exempted.

iii) Approve "LEASE" Model of Land allotment to the Units in the proposed Bulk Drug Parks with the provision of BUYOUT, after the completion of 10 years (as per the approval accorded by Govt):

a. Under Clause 7.4 of the Scheme Guidelines of Bulk Drug Park, the SIA (i.e. herein referred as APBDIC) shall allot only Long Term Lease Basis only.

b. The GoAP and SIA has submitted an undertaking duly complying to Cl -11.2 of the Scheme Guidelines, wherein *"it is committed not to increase land lease rentals and utility charges beyond 5% per annum for next 10 years."*

c. Keeping these into consideration, APBDIC has submitted the proposal, on lease basis to unit holders for 33 years in the proposed Bulk Drug Park. {whereas, the present APIIC allotment regulations permit the allotment on lands on freehold basis, with the two stages viz Sale Agreement *(duly incorporating the conditions to be complied by the allottee on*

Investment and Employment) followed by the Sale Deed execution). Thus, a significant number of pharma-specific investors are keen to avail the buyout option through title transfer upon payment of the prescribed premium and after the completion of the commitments w.r.t Investment and employment, as per the present allotment regulations.

d. Therefore, in abiding to the regulations, APBDIC has proposed to allot the land to the interested entrepreneurs on Lease Mode for next 10 years from the date of 1st allotment in this project and further implementing the Buyout Model upon the willingness of the Allotees. In this context, the following Models are proposed by APIIC / APBDIC:

1. Model 1: Leasing of Land for 33 years (as per Original Approval by DoP) : PBDIC will receive upfront land lease premium of INR 66.1 lakhs/ acre in the year of allotment (as per the proposal submitted and subsequently approved by GoI) and Rs.1 lakh/acre starting from the second year, for the duration of the 33-year lease period.

2. Model 2: LEASE cum BUYOUT Model upon payment of premium after 10 years (i.e. 2035) considering the grant-in -aid received from GoI. The APIIC may arrive at a suitable premium amount

iv) Approve the Concessional Land Lease Rates and Utility Rates as agreed by SIA to DoP, GoI under Bulk Drug Policy:

A. In order to comply the final approval guidelines (i.e. issued on 07/12/2023), the SIA shall abide to the committed Land Lease Rates and Utility Rates and utility charges are as given below.

Sl	Particular	Unit	SIA Commitment on Concessional Prices	Current Market Rate and the mechanism to be adopted by APIIC / APBDIC to provide the inputs as per the proposal submitted by State to GoI.
A	**Land Lease**	Rs./Acre	66.1 lakhs for 1st year, 1 lakh from 2nd year onwards for next 10 years with 5% increase per annum.	Around Rs. 51.40 lakhs per acre for outright sale (Source G.O.MS.No. 76 Dated: 26-11-2024, I & C (P&I) Dept.)

	The State has submitted the Land lease rate (annual rent per square meter in Rs.) to be offered to bulk drug manufacturing units to be set up in the park, consisting of the upfront fee payable by the manufacturing unit and all subsequent payment with the periodicity and duration of payment.			
B	**Utility Charges**			
1	Power	Rs. Per kWh	4.46	7.97 (APERC) – FY25 The I&C Department will move a proposal for consideration of the State Electricity Commission to fix a separate schedule of rate as per the proposal submitted by the State to the GoI; Pending the approval, the differential power-tariff will be reimbursed under the various provisions of the Industrial and sectoral policies, as applicable.
2	Effluent Treatment Plant	Rs. Per Kilo Litre	Weighted Avg Price is Rs 649/- (HTDS – Rs. 1389 /KL LTDS – Rs. 260 / KL) [HTDS :LTDS :: 33:67]	1) Base Rate /KL – Rs. 1481.87 (HTDS)+ Rs.298.75 (LTDS) JNPC FY 23 tariff sheet attached 2) AETL –Base rate- HTDS – Rs.1450/KL & LTDS – R3.300 /KL The reduced rates will be adopted by the APIIC / APBDIC, so as to comply the commitments given in the proposal submitted by the State to GoI and the resultant financial burden to the APIIC / APBDIC, will be appropriately compensated by the State.
3	Raw Water	Rs. Per Kilo Litre	4.99	Rs. 120 (As per G.O) The reduced rates will be adopted by the APIIC / APBDIC, so as to comply the commitments given in the proposal submitted by the State to GoI and the resultant financial burden to the APIIC / APBDIC, will be appropriately

				compensated by the State.
4	Steam	Rs. Per Tonne	2,250	Rs. 2,100- 2,500 (Vendor) The reduced rates will be adopted by the APIIC / APBDIC, so as to comply the commitments given in the proposal submitted by the State to GoI and the resultant financial burden to the APIIC / APBDIC, will be appropriately compensated by the State.
5	Solid Waste Treatment	Rs. Per Tonne	2,999	MEE Salt - Rs. 3015 /- ETP Sludge – 6500/- +GST The reduced rates will be adopted by the APIIC / APBDIC, so as to comply the commitments given in the proposal submitted by the State to GoI and the resultant financial burden to the APIIC / APBDIC, will be appropriately compensated by the State.
6	Ware House Charges	Rs. Per Square Meter Per Month	99	Rs. 215 for normal Rs. 323 for temp controlled in and around Chennai The reduced rates will be adopted by the APIIC / APBDIC, so as to comply the commitments given in the proposal submitted by the State to GoI and the resultant financial burden to the APIIC / APBDIC, will be appropriately compensated by the State.
7	Park Maintenance Charges	Rs. Per Square Meter Per Month	10.16	Rs. 3.93 for FY23 (JNPC tariff)

B. Similarly, in order to comply the final approval guidelines (i.e. issued on 07/12/2023), the State Government shall abide to the incentives for the units allotted lands in Bulk Drug park, as per the proposal submitted by the GoAP to GoI, as given below:

a. Interest Subvention Scheme:

Proposal submitted by GoAP	As per existing Policy provisions
Interest subsidy of 3% on the term loan taken for fixed capital investment by new Micro and Small enterprises for 5 years from the date of commencement of commercial production - (As per IDP 2023-273)	As per Andhra Pradesh MSME & Entrepreneur Development Policy, 4.0 (2024-29) and New Andhra Pradesh Development Policy (4.0) 2024-29

b. GST reimbursement, subsidy, incentive etc against investment:

Proposal submitted by GoAP	As per existing Policy provisions
1. Reimbursement of 100% of net SGST accrued to the state for a period of 10 years from the date of commencement of commercial production or up to the realization of 125% fixed capital investment, whichever is earlier *(As per G.O. MS.No.67 dated 14.10.2020)*	1. Reimbursement of 100% of net SGST accrued to the state for a period of 10 years from the date of commencement of commercial production or up to the realization of 125% fixed capital investment, whichever is earlier.
2. 15% Investment Subsidy on Fixed Capital Investment limited up to ₹20 lakh, whichever is lower for MSME. The subsidy will be released only after 3 years of continuous operation with at least 80% efficiency in all parameters i.e., employment, production etc. *(As per IDP 2023-27)*	2. 25% of FCI for MSME *(As per Andhra Pradesh MSME & Entrepreneur Development Policy, 4.0 (2024-29)) and New Andhra Pradesh Development Policy (4.0) 2024-29*
3. GoAP will support 10% of the cost of establishing of Technology and Research Institutes in the state in coordination with leading Institutions / Research Organizations and Educational Institutions as well as industry limited to Rs. 5 Crore, with appropriate financial, infrastructure and other support mechanisms duly dovetailing with relevant schemes of GoI *(As per G.O. MS.No.67 dated 14.10.2020)*	3. GoAP will support 10% of the cost of establishing of Technology and Research Institutes in the state in coordination with leading Institutions / Research Organizations and Educational Institutions as well as industry limited to Rs. 5 Crore, with appropriate financial, infrastructure and other support mechanisms duly dovetailing with relevant schemes of GoI.

c. Stamp duty & Registration Charges:

Proposal submitted by GoAP	As per existing Policy provisions
1. Reimbursement of 100% stamp duty and Transfer duty paid by the industry on purchase of land meant for Industrial use. *(As per G.O. MS.No.67 dated 14.10.2020)*	1. Reimbursement of 100% stamp duty and Transfer duty paid by the industry on purchase of land meant for Industrial use.
2. Reimbursement of 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations *(As per G.O. MS.No.67 dated 14.10.2020)*	2. Reimbursement of 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations.
3. Reimbursement of 50% of registration charges of various countries for product approval (Such as USA-FDA, EDQM-EU, PMDA-Japan, MHRA-UK, IMB-Ireland, TGA- Australia, Health Canada- Canada etc.) limited to Rs.25 Lakhs *(As per G.O. MS.No.67 dated 14.10.2020)*	3. Reimbursement of 50% of registration charges of various countries for product approval (Such as USA-FDA, EDQM-EU, PMDA-Japan, MHRA-UK, IMB-Ireland, TGA- Australia, Health Canada- Canada etc.) limited to Rs.25 Lakhs.

N. YUVARAJ
SECRETARY TO GOVERNMENT